

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

COMMUNITY FINANCIAL SERVICES  
ASSOCIATION OF AMERICA, LTD., and  
CONSUMER SERVICE ALLIANCE OF  
TEXAS,

*Plaintiffs,*

v.

CONSUMER FINANCIAL PROTECTION  
BUREAU and KATHLEEN KRANINGER,  
in her official capacity as Director, Consumer  
Financial Protection Bureau,<sup>1</sup>

*Defendants.*

Civil Action No. 1:18-cv-295

**JOINT STATUS REPORT**

Plaintiffs Community Financial Services Association of America, Ltd., and Consumer Service Alliance of Texas, together with Defendants the Consumer Financial Protection Bureau and Kathleen Kraninger, in her official capacity as Director of the Bureau, (collectively, the “Parties”) submit this Joint Status Report pursuant to the Court’s Order dated November 6, 2018 (ECF No. 53).

In this litigation, Plaintiffs challenge the Bureau’s “Payday, Vehicle Title, and Certain High-Cost Installment Loans” rule (“Payday Rule” or “Rule”). The Rule contains two primary components—underwriting provisions requiring lenders to assess borrowers’ ability to repay before making covered loans and payments provisions governing lenders’ withdrawing payments

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<sup>1</sup> Director Kraninger is automatically substituted as a party in this case by operation of Federal Rule of Civil Procedure 25(d).

for covered loans from consumers' bank accounts. The Bureau has now formally initiated a rulemaking process to revisit the underwriting provisions (but not the payments provisions). In particular, on February 14, 2019, the Bureau published in the Federal Register two notices of proposed rulemaking: one that proposes to rescind the underwriting provisions, 84 Fed. Reg. 4252 (Feb. 14, 2019), and one that proposes to delay the compliance date for those provisions until November 19, 2020, 84 Fed. Reg. 4298 (Feb. 14, 2019). The comment periods for those proposed rules are open until May 15, 2019, and March 18, 2019, respectively.

The parties have been engaged in discussions about how they believe the litigation should proceed given that the Bureau's rulemaking proposes to revisit only the underwriting provisions, and not the payments provisions. They have not yet reached agreement on a joint proposal to make to the Court, but believe they may be able to do so. The parties will continue these discussions and submit an additional status report by next Friday, March 8, 2019, that either makes a joint proposal on how the litigation should proceed or, if the parties cannot reach agreement, sets forth each party's position on how the litigation should proceed.

Dated: March 1, 2019

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on March 1, 2019, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send notification of such filing to the following:

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